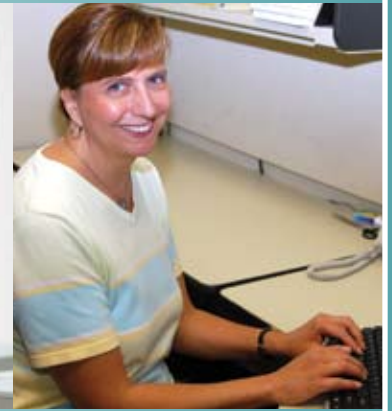


CUSTOMER CENTRIC SERVICES

NORTH DAKOTA INFORMATION TECHNOLOGY DEPARTMENT



ANNUAL REPORT 2005-2006



Information Technology Department

MISSION & VISION

MISSION

Provide leadership and knowledge to assist our customers in achieving their mission through the innovative use of information technology.

VISION

We see ITD partnering with our customers to proactively develop cost-effective technology solutions that meet expectations.

We see ITD promoting existing services and developing new opportunities through employees who demonstrate knowledge and expertise.

We see all ITD employees working together in a culture that challenges everyone and fosters creativity.

We see ITD as a well-managed organization that provides value to our customers and stakeholders.

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JOHN HOEVEN
Governor, North Dakota

The 2005-2006 Annual Report
CUSTOMERCENTRICSERVICES
was produced by the North Dakota
Information Technology Department.

It is a response to requirements
outlined in Section 19 Chapter 54-59
of the North Dakota Century Code.
The report provides an update on
the information technology oversight
process and major information
technology investments.



Information Technology Department



"Customer-centric means customers are the heart of our business; our goal is to build long-term relationships and IT solutions. Customers will find a more consistent, timely, and customer-friendly ITD."

EXECUTIVE SUMMARY

When most people think about Information Technology (IT), their eyes glaze over and their first thoughts are that you would need to be from another planet to work in IT. We want you to know that while our work is very serious, we have a great time doing it. We enjoy helping state agencies perform their missions efficiently and effectively.

The past year has been highly rewarding. The Information Technology Department has made great strides in 'human-izing' our work. Our emphasis on transforming into a Customer-Centric organization has improved the way we do business.

ITD managed and resolved 41,423 incidents between July 1, 2005 and June 30, 2006. 93.7% of incidents were logged by our Customer-Centric Service Desk and acknowledged by a technical support group within 15 minutes. Nearly 100% of customers stated they were very satisfied with their overall ITD experience, including the courtesy, professionalism, skills and knowledge of staff, and quality and timeliness of resolution.

This year we processed 3,429 Software Development service requests equating to 161,000 person hours. Project time ranged from 10 minutes to thousands of hours. Projects were completed for 49 state agencies.

The North Dakota state web portal, nd.gov, was implemented in May, 2005. From its inception through June, 2006, nd.gov has received 1.7 million hits. It is a user-friendly site that has received accolades from state government and consumers alike. In July of 2006, a Brown University study ranked North Dakota as the 13th best state for e-government in the nation.

Historically employee turnover remains low. Employees enjoy the sense of purpose in their work, and the nurturing work environment. The employee recognition program recognized staff members nearly 1,000 times since it was implemented two years ago.

An independent state security audit was completed. It stated that controls are suitably designed to provide reasonable assurance that the specified control objectives would be achieved.

The tremendous progress of this department is only possible because of the visionaries who work within every agency of state government. Their willingness to take their initiatives to the next level drives us every day to do even better than the day before. We are grateful for the opportunity to work with them.

I invite you to read on. You will find a department of dedicated professionals, goal oriented and results driven. They see themselves not only as members of ITD, but team members working side-by-side with other state agencies. We are committed to improving our service, and we enjoy the challenge of doing so.

Sincerely,

A handwritten signature in black ink that reads "Lisa Feldner". The signature is fluid and cursive, with the first name "Lisa" and last name "Feldner" clearly distinguishable.

Lisa Feldner, PhD - CIO

ITD

Information Technology Department



GARY VETTER

Customer Service

Today, many businesses have failed to make the transition from organization-centric to customer-centric. If you choose to focus on yourself and your needs as an organization, you will fail. This has been the motivation for our move toward customer-centric services. Our focus has been managing customer expectations and providing a positive customer experience.

Between July 1, 2005 and June 30, 2006, ITD's Service Desk logged 41,423 incidents. Of those incidents, 93.7% were acknowledged by a technical support group within 15 minutes. Nearly 100% (99.8%) of customers stated that they were satisfied (or very satisfied) with their overall ITD experience, including the courtesy, professionalism, skills and knowledge of staff, and quality and timeliness of resolution.

"You couldn't ask for better service. I called and everything was taken care of promptly and politely.

Minot Police Department

This year, we have laid the foundation for Customer-Centric Services.

- Along with Respect, Teamwork, Achievement, Integrity, and Leadership, a new guiding principle of service was formally adopted by ITD. It reads, "Service: we hold ourselves accountable for a positive customer experience."
- Our traditional help desk was transformed into a customer focused service desk. This new breed of support structure handles incidents and questions, and provides an interface for customer work orders, requests for change, problem root-cause analysis, and service level management.
- Our service desk was positioned as the "Single Point of Contact" for providing customers with advice, guidance, and rapid restoration of services.
- Our service desk was relocated to a new location. This allowed us to create an office environment that optimizes teamwork and collaboration.
- Our incident management process was updated to incorporate industry best practices as defined within the IT Information Library (ITIL). As a part of this project, a new online survey was added to gather customer feedback on incident resolution.



"This 'Single Point of Contact' is WORKING! Someone got back to me within minutes!"
ND Dept. of Human Services

- Our incident management project also laid the foundation for service level objectives. Today customers are told exactly what to expect after an incident is logged.
- As our incident management process matured, our need for an integrated, enterprise IT service management toolset increased. Several tools and programs were researched and evaluated. We are optimistic that a final decision and implementation will occur in 2006-07.
- Along with our focus on ITIL best practices, project planning was completed for a formal, agency-wide change management process.



DANSIPES Administration

The Administrative Services Division includes accounting, contingency planning, security and records management. A rate analyst was added to the accounting staff to assist with the rate setting process and assist customers with rate questions that arise as ITD continues to expand services.

Over the past year the Electronic Document Management System (EDMS) infrastructure was migrated to the latest version of FileNet and Teleform, two of the core technologies in our EDMS infrastructure. EDMS continues to be a service in high demand from our customers. Accordingly, we have increased our focus on meeting and managing customer expectations for this service and have added staff from the Software Development division to assist in the implementation of EDMS projects.

ITD underwent a successful SAS70 audit in fiscal year 2006. A SAS70 audit is specifically focused on information technology service organizations and provides assurance to our customers and their auditors that ITD has appropriate controls in place and that these controls are operating effectively. This audit is performed on a regular basis by the Office of the State Auditor with special security testing performed by an external security firm. A copy of the SAS70 report can be found at http://www.state.nd.us/auditor/reports%5C1200_05.pdf.

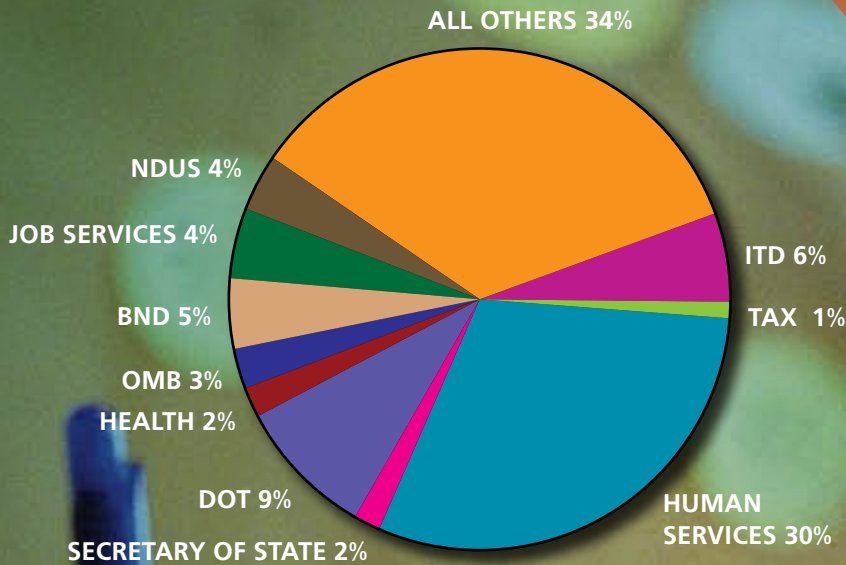
"I appreciate the cooperative attitude of the people at ITD. I haven't run into a crabby person yet!"

ND Governor's Office

"LET ME SAY THANKS TO YOU AND YOUR TEAM FOR THEIR PROFESSIONALISM, KNOWLEDGE, AND EXPERTISE IN KEEPING THIS OLD MACHINE RUNNING. IT'S QUITE A JOB TO BE FAMILIAR WITH AND ABLE TO WORK IN AN ENVIRONMENT THAT IS AS COMPLICATED AND ANTIQUATED AS THIS MMIS SYSTEM HAS BECOME. "

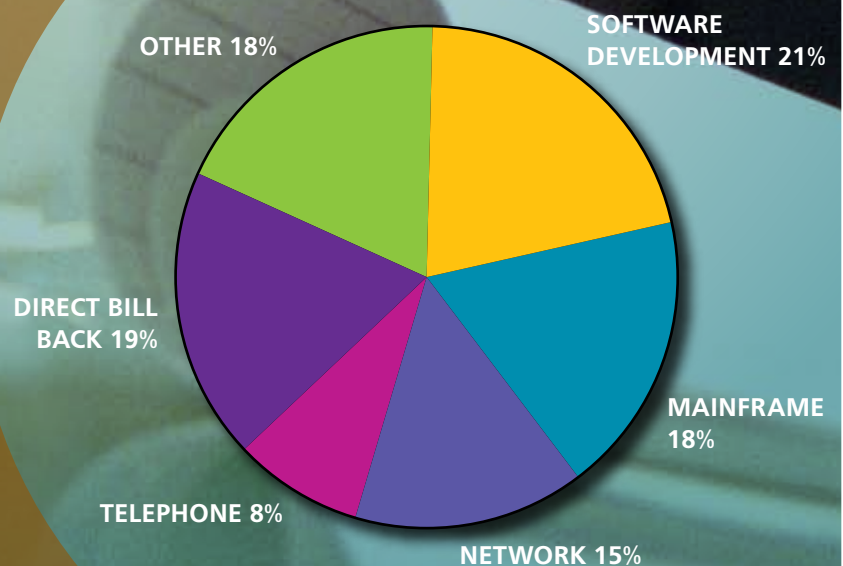
ND Department of Human Services

ITD REVENUE BY DEPARTMENT FISCAL YEAR 2006 TOTAL BILLING: \$37,716,784



FY 2006	
DEPARTMENT	REVENUE BY DEPT.
ITD	\$ 2,170,477
TAX	\$ 439,087
HUMAN SERVICES	\$ 11,399,844
SEC OF STATE	\$ 676,943
DOT	\$ 3,322,269
HEALTH DEPT	\$ 747,892
OMB	\$ 992,358
BND	\$ 1,770,785
JOB SERVICES	\$ 1,587,626
NDUS	\$ 1,360,062
ALL OTHERS	\$ 13,249,441
TOTAL	\$ 37,716,784

ITD REVENUE BY SERVICE FISCAL YEAR 2006 TOTAL BILLING: \$37,716,784



FY 2006	
SERVICES	REVENUE BY SERVICE
SOFTWARE DEV.	\$ 8,044,611
MAINFRAME	\$ 6,893,453
NETWORK	\$ 5,679,430
TELEPHONE	\$ 3,126,705
DIRECT BILL BACK	\$ 7,027,255
OTHER	\$ 6,945,330
TOTAL	\$ 37,716,784



L. DEANG~~L~~ATT

Computer Systems

ITD provides application environments on different performance and availability tiers based on agency needs. Through the use of a Storage Area Network (SAN), data can be stored in tiers on various classes of disk such as fiber channel, iSCSI and SATA. The server systems take advantage of SAN technology for cost and performance efficiencies. Through the use of virtual machines and server clustering, servers can be designed and tuned for the application workloads.

Shared and dedicated application hosting is provided for state agencies. ITD performs all hardware and software maintenance and ensures the highest level of uptime based on agency requirements.

Clustered servers, redundant storage, multi-path networks, environmentally controlled data center, 1250kw generator backup and uninterruptible power supply systems provide the basis for all of the necessary configurations required for State government agencies. With ITD's second data center located miles away, future systems design will allow a multitude of availability, performance and recovery options that will meet the most demanding needs for any state agency.

"Complex problems easily handled."
ND Attorney General's Office



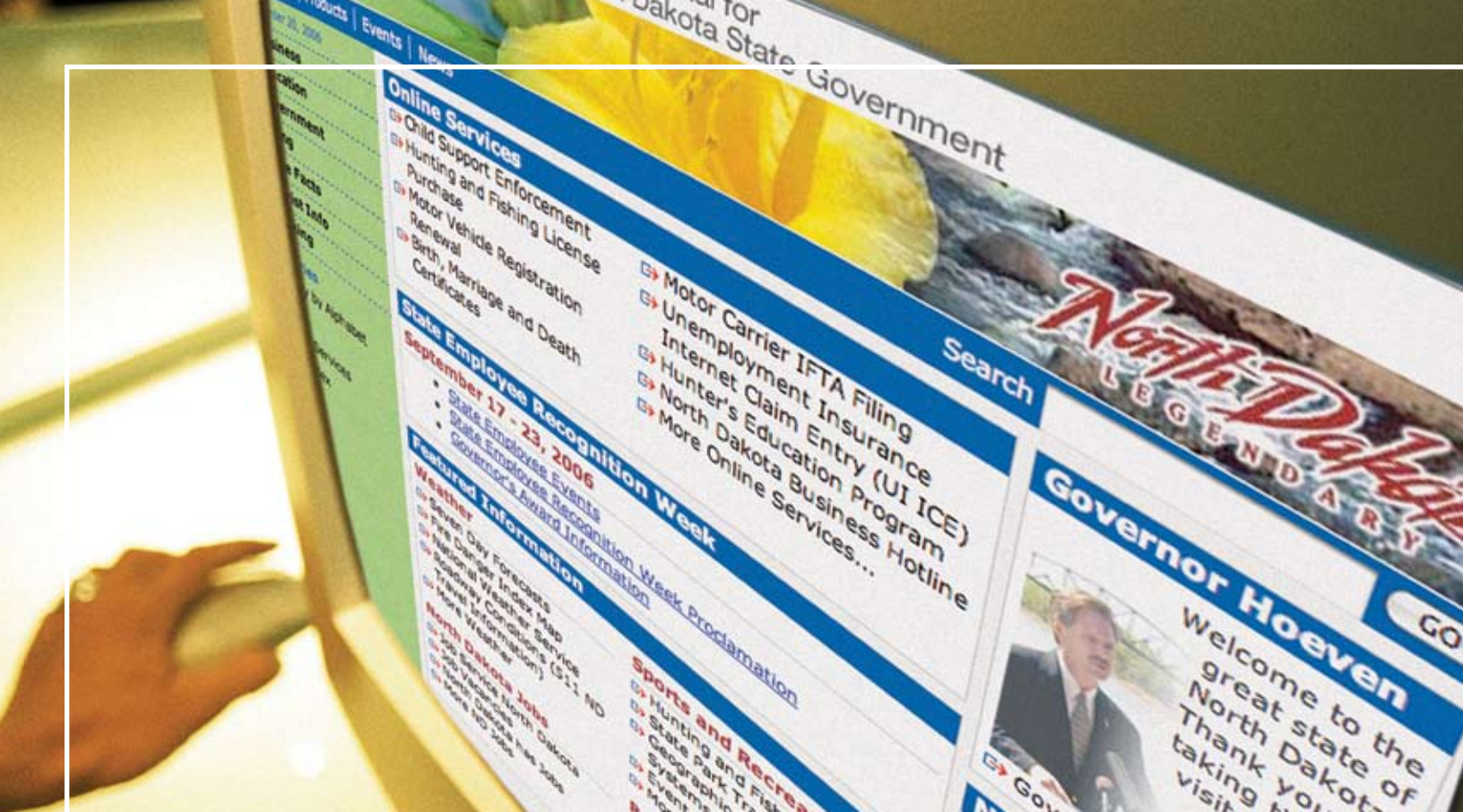
"Complex problems easily handled."
ND Attorney General's Office

Major Accomplishments

A second data center came online to provide the disaster recovery services formerly acquired through IBM in Boulder, Colorado. The relocation of the recovery data center to North Dakota allows ITD to bring critical systems up within 8 hours in case of a disaster to the states primary data center.

The Computer Systems Division provided expert skills to assist agencies in deploying applications tailored to their business needs. Throughout the year, application design was enhanced for all areas of government including the financial agencies, citizen services and law enforcement. The areas of enhanced design included availability, recovery, performance, workload distribution, capacity planning and proactive problem deterrence to name a few. To borrow the concept from the BASF ad, "we don't make the infrastructure you use; we make the infrastructure you use better."

The four-year-old SAN infrastructure was upgraded, incorporating the latest in SAN volume management. These products allow ITD to increase the ratio of staff to terabyte management efficiency. Continued investment in SAN technology directly correlates to plug-and-play of inexpensive storage to perform in high availability roles. Likewise, simple stand-alone volumes for applications requiring less criticality can be turned up in very short order.



VERNWELDER

Software Development

Software Development services continue to be in high demand. The requirement to develop online government services along with the need to keep current applications running at optimal performance keeps our workload at a constant peak. This year we processed 3,429 services requests equating to 161,000 person hours. Project time ranged from 10 minutes to thousands of hours. We did projects for 49 state agencies.

The most visible project completed this year was nd.gov, the North Dakota state web portal. From its inception in May 2005 through June 2006, nd.gov has received 1.7 million hits. It is a user-friendly site that has received accolades from state government and consumers alike. In July of 2006, a Brown University study ranked North Dakota as the 13th best state for e-government in the nation. Whether you need a hunting license, information about North Dakota, or are looking for work, this website is all-encompassing of the services state government provides.

We keep a pulse on the software development industry by monitoring trends and keeping current with best practices. Technology changes in recent years have been exciting as they've enabled us to implement tools, processes and techniques that will provide a smooth transition into developing applications in a Service Oriented Architecture (SOA). SOA gives business the ability to change their processes and software quickly in order to meet changing goals. Implementing this cutting edge architecture for North Dakota state agencies is an exciting opportunity.

"Buying a hunting license online is the easiest way to get my husband out of the house."

A Happy Hunting Widow

Agency Success Stories

Department of Transportation – Contractor Sign In

The system allows prime contractors and subcontractors over \$500,000 to electronically indicate their intention to bid certain jobs for a NDDOT bid opening so that disadvantaged business enterprises and other contractors know who to contact and to whom they should submit their bids.

Department of Human Services – Administrative License Suspensions

The ND Child Support Online System was enhanced to enable child support regional offices the ability to enforce ND child support obligations by suspending licenses electronically. This system automatically monitors non-payment of child support obligations to alert regional child support workers when an administrative license suspension is appropriate and allows those workers to initiate, document, and electronically suspend ND motor vehicle licenses, ND driver's licenses and ND game and fish licenses. The suspension of professional licenses is also initiated and documented on this system.

Child support collections hit a record in 2005 – just under \$102 million, a 6.3% increase over 2004. In a press release dated January 20, 2006, Governor Hoeven stated, "Together with the legislature, we've put tools in place to help the Department of Human Services see that children are properly taken care of. We appreciate the hard work of the department on behalf of these young people."



Secretary of State, Election Management Systems Enhancement

Counties were allowed to electronically transmit election results. Secretary of State Department staff later had to manually key the precinct-by-precinct results when they became available. Whereas in this past primary, no results – either precinct or county results – were manually keyed. While this was not a large project as far as cost was concerned, it was a higher profile project for the Secretary of State.

Department of Transportation, Commercial Vehicle Information Systems and Networks

- International Fuel Tax Agreement (IFTA): In IFTA, truck drivers can enter the miles driven online instead of sending this information in to DOT. They have to do this quarterly.
- International Registration Plan (IRP): In IRP, truck drivers can add a vehicle to their fleet, jurisdictions, weight increase to their vehicles, renew their fleet, and print duplicate credentials on line instead of coming into DOT.
- Approximately 16% of IFTA carriers file quarterly reports online, reducing temporary staff members by two. DOT has received very high praise for the functionality it provides to the carriers 24/7 and they can keep their trucks on the road with weight increases and/or duplicate cab cards after hours and on weekends.

Department of Public Instruction (DPI), Data Dictionary

A system was needed to define all of the data collections for the agency. The system was presented at the National Center of Education Statistics (NCES) – Management Information Systems Conference in Orlando, Florida. As a result, the NCES decided to use the data dictionary as part of their base project to be made available to other states. This was a significant accomplishment for both DPI and ITD.



NANCY WALZ Policy/Planning

The impact of this division is far reaching because it coordinates and facilitates IT activities across the enterprise. Its primary focus is helping agencies succeed and building a collaborative environment. The results are a credit to the agencies involved and their efforts to continually improve IT for the State.

- The Enterprise Architecture process involved 106 people from 30 agencies. Twelve new or updated standards were approved; five study teams provided recommendations.
- To prepare for the 2007-2009 budget process, 61 of 62 agencies submitted acceptable IT plans.
- Forty-four IT contracts and requests for proposals were submitted and reviewed within the five day expected response time.
- ITD administers the PC, Altiris, IT vendor pool and the GIS vendor pool contracts to leverage state purchasing power and reduce the cost of technology.
- During the past fiscal year, state agencies completed 11 large IT projects under Division oversight. Seven of the 11 projects were completed under budget, resulting in a net budgetary savings of \$1,134,091. Nine of the 11 projects were completed within the acceptable 20% schedule variance.
- The Enterprise Project Management Office facilitated training and mentoring programs for state agency employees to improve the success of IT projects by increasing the knowledge and skills of project managers.
 - Three day basic training - 11 attended.
 - Project Management Professional (PM) certification - 8 project managers.
 - Project+ certification - 14 project managers.
 - National Information Technology Apprenticeship System (NITAS) - 24 certifications by 11 project managers.



Enterprise Initiatives

The Policy and Planning Division provides leadership and coordination for three enterprise initiatives.



Criminal Justice Information Systems Hub Portal Enhancements

The CJIS hub grew significantly the past year, with 826 users registered. Over 560,000 transactions occurred for fiscal year ending June 30, 2006. Enhancements include the ability to check offenses on non-sufficient funds, search capabilities of Central Warrant Information Systems, search capabilities of custody and supervision records and the addition of the Offender Registration Report.

"The hub has been a very exciting enhancement to Law Enforcement. We are a smaller department who has never had a Teletype available but with the hub we have all the information available with out the expense and maintenance of the Teletype. The system is much faster to run license information for persons and vehicles than State Radio. It has been a very valuable tool for our department and hope we never lose it."

CJIS Hub user

States Attorney Reporting System (STARS)

Seventy users in five counties began using the STARS system after a successful implementation this year.

"We were amazed at how quickly the documents were generated and how much information was carried over, making for much less duplicate entry. We have also been very pleased with the help we have received from the CJIS staff, as well as the New Dawn staff." STARS user



The Geographic Information Systems Technical Committee continues to enhance the GIS Hub.

- State agencies users average 35-40 daily concurrent connections to the GIS Hub database.
- The web applications average almost 70,000 hits per month. Data downloads average over 2,800 per month.
- The Open Geospatial Consortium, Inc. named North Dakota's GIS site as their web site of the month in Dec. 2005.
- New applications include the Fire Index Map and ND Pesticide Sensitivity Mapping.

"We make landownership atlases (Dakota Atlas) and also mineral right owner plats for oil leasing. I have used your site almost constantly for information since updating to a GIS platform in 2002 and I appreciate the ease and availability (and quality) of the information that has been made available." GIS hub user



ConnectND Activities

Include adding functionality through product upgrades and enhancement projects, improving the system performance and providing production support.

- Viewing of ePay, eBenefits, leave balances and eBenefits for State employees was completed. Over 7,000 State employees can view eApp information reducing the need to print pay advices .
- HR and Financial environments have been created for agency ad-hoc reporting.
- Comprehensive Annual Financial Report reporting has been configured and developed.



ARDY PFAFF Human Resources

It's the people that bring life to all the projects and service IT delivers to its customers. IT employees must be technically brilliant and possess strong interpersonal skills to effectively work with customers. Thus, it is becoming increasingly more important for HR and IT to partner on strategic goals.

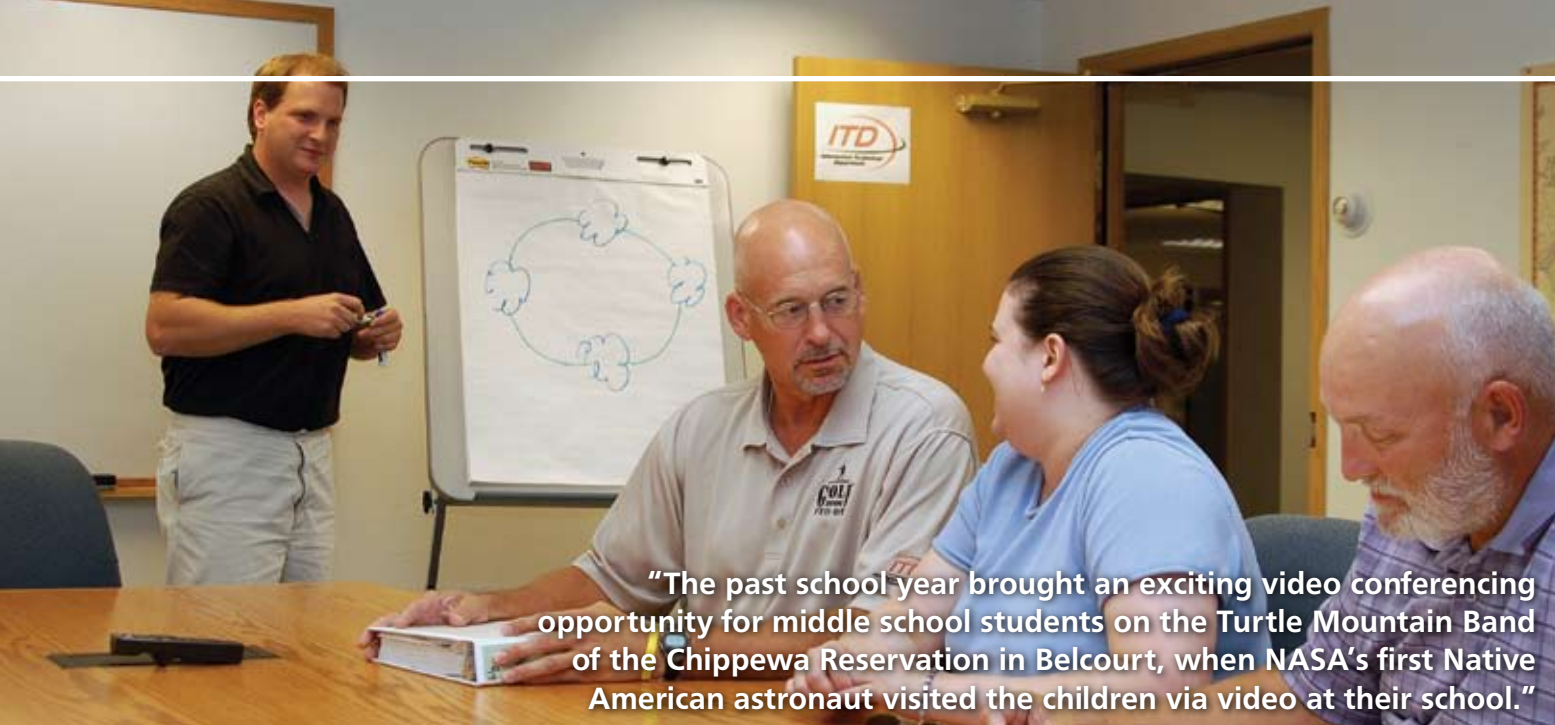
ITD successfully hired the talent needed to provide outstanding service to our customers this past year. Every year, it becomes increasingly more difficult to do so because the demand for IT professionals surpasses the supply. This trend is expected to continue thru 2012.

The voluntary employee turnover rate increased significantly this past year. Exit interviews revealed that a competitive salary was the primary reason for resignation.

ITD's 2006 Employee Satisfaction Index Survey rated ITD employees as being 100% satisfied with our flex scheduling and balancing work and family.

Initiatives

- **Continued focus** on improving the culture of ITD
- **Recognition Programs:** Program recognizes individual performance. The committee is launching a team recognition feature that will celebrate team goal achievements and project milestones.
- **Workforce Retooling / Retraining**
 - From mainframe system to server based system processing
 - Succession Planning at ITD - 30% of the managers and supervisors will be eligible to retire in the next 5 years
 - ITD implemented a Wellness at Work program with nutrition education and walking programs
- **Implemented a new e-learning training vendor---anytime, anywhere, affordable training**
- **New Employee Orientation Program** - Revised to make the new employee feel more welcome and a part of our ITD family
- **Fair and Equitable Work Environment** - Policy Committee meets to identify potentially unfair employee treatment. Examples addressed in 2005--Training, Travel, Overtime pay



JERRY FOSSUM Telecommunications

If a person uses any agency of state government, the Telecommunications Division has something to do with it. Their overall responsibility is to manage the infrastructure – the network. Telecommunications solves business problems and responds to business needs for telecommunications. Their direct clients include the University System, K-12, and state, city, and county governments.

- 80,000 COMPUTER CONNECTIONS**
- + 10,000 PHONE SYSTEMS**
- + 36,000 HOURS OF VIDEO CLASSES / YEAR**
- + 24,000 ACADEMIC CLASSES AND MEETINGS**
- + 15,493 ACADEMIC CLASSES IN K-12**
- + 5,000 VOICE MAIL BOXES**
- = TELECOMMUNICATIONS DIVISION, ITD**

The Telecommunications Division provides a variety of services to government and education. In the past school year over 24,000 academic classes and meetings were supported on STAGEnet. STAGEnet also provides internet access for all of K-20 education and for North Dakota citizens to access government services. The division also provided over 1 million minutes/month in long distance access for state agencies.

With over 80,000 computers and 10,000 telephones connected, the network has become the circulatory system for government and education in North Dakota. The division staff insures that it is reliable and secure from the threats of viruses, worms, and hackers. The division is on-guard 24/7 to insure information flows freely to the right people, at the right place, at the right time



INFORMATION TECHNOLOGY DEPARTMENT PERFORMANCE MEASURES 2006

MEASUREMENT	BASELINE (PREVIOUS YEARS)	CURRENT(JUNE 2006)	TARGET
1. ACCEPTABLE LEVEL OF TOTAL NET ASSETS	2004 – 1.4 2005 – 2.0	1.4	< OR = TO 2.0
Score Card Perspective: Financial. Based on financial end of year “Statement of Net Assets”, Total Net Assets does not exceed 2 times (2.0) The average monthly expenditures.			
2. PERCENTAGE OF ITD RATES REPORTED IN ANNUAL REPORT THAT ARE COMPETITIVE	2005 - 100%	100%	100%
Score Card Perspective: Financial. Based on 16 service rates representing 82% of ITD’s revenue as reported in the Annual Report. “Competitive” is defined as a rate not exceeding 10% higher than average comparable service rates provided by other government and private entities. To best enable “apples to apples” comparisons, each service rate metric will identify its comparison entities.			
3. TOTAL NUMBER OF CUSTOMER PROJECTS AND SERVICE REQUESTS AND INCIDENTS COMPLETED	2005		
SERVICE REQUESTS	22,114	29,456	MONITOR
INCIDENTS	30,694	41,423	
Score Card Perspective: Financial. Although this measure is largely dependent on client budget appropriations and spending, it provides an indicator reflecting the amount of work volume or output produced by ITD. This measure reflects a 12 month timeframe and does not include ITD strategic projects.			

MEASUREMENT	BASELINE (PREVIOUS YEARS)		CURRENT (JUNE 2006)	TARGET
4. CUSTOMER SATISFACTION INDEXES	% SATISFIED / VERY SATISFIED		% SATISFIED / VERY SATISFIED	% SATISFIED / VERY SATISFIED
	2004	2005	2006	
VALUE	88.1%	91.4%	91.7%	92%
TIMELINESS	91.6%	90.9%	92.5%	97%
QUALITY	92.3%	95.3%	93.7%	97%
KNOWLEDGE	97.3%	93.7%	93.1%	98%
PROFESSIONALISM & COURTESY	98.1%	96.4%	96.5%	100%
Score Card Perspective: Customer. Customer surveys are collected annually. ITD receives approximately 35-40 responses for each of the services surveyed. This allows the agencies an opportunity to provide feedback on the performance of the services provided.				
5. EMPLOYEE SATISFACTION INDEX	2004 – 1.96 2005 – 1.96		2.13	2.0
Score Card Perspective: Learning & Growth. Every other year ITD assesses its employee satisfaction. Employees are asked to grade ITD as a place to work. The above survey indexes reflect the overall average score of all employee survey rankings. The grading range is from 0 to 3 (dissatisfied to very satisfied). Ninety eight percent of employees participated in this survey process.				
6. CONTROLLABLE EMPLOYEE TURNOVER	2004 – 3.2% 2005 – 4.5%		7.0%	BELOW 6.0%
Score Card Perspective: Learning & Growth. ITD tracks employee turnover on an annual basis. Technology skills will remain in high demand and in short supply through 2012. Turnover nearly doubled in 2006 because of increased competition for the IT workforce. Employee turnover is a valuable indicator of employee morale and satisfaction. This is a critical measurement for ITD because of the large investment in the technology staff so they can stay current in their skills.				
7. PERCENTAGE OF SERVICE LEVELS MET	100%		100%	100%
Score Card Perspective: Internal Processes. ITD is developing service level objectives (SLO) for its primary services. Once the SLO's are established this measure will indicate ITD's ability to meet its service objectives				
8. PERCENT OF STRATEGIC BUSINESS PLAN OBJECTIVES COMPLETED OR ON SCHEDULE	2004 – 72% 2005 – 73%		85%	75%
Score Card Perspective: Internal Processes. ITD creates a strategic business plan that defines business improvement goals and objectives which are achieved through initiatives created at the department and division levels. All initiatives are prioritized and defined as projects through an internal project definition process that describes the scope, cost and timeframe, and expected outcomes. This measure assesses management's ability to plan effectively and put business strategy into action.				



ITD generates revenues by providing 84 services, each with its own rate. Customers are billed monthly for services provided the previous month. Federal regulations do not allow state central service agencies to accumulate an excess of cash. Therefore, ITD closely monitors the cost and revenue for each service and adjusts its rates accordingly.

In April of every even numbered year, ITD establishes budget rates for the upcoming biennium. These rates generally do not increase during the two-year period because agencies do not have the ability to request additional funds. However, if the cost for providing a service decreases, ITD will reduce the rate. The agency also monitors what other entities are charging for similar services in an effort to maintain quality services at a fair price. The following tables reflect ITD comparisons and history. Generally speaking, during the past several years, labor rates have increased slightly while computing costs have decreased.

ITD RATE COMPARISON JULY 2006

CENTRAL COMPUTER CPU - RATE IS BASED PER SECOND.

	NORTH DAKOTA ITD	SOUTH DAKOTA BIT	MONTANA ITSD	WISCONSIN DET
BATCH CPU	\$0.93	\$.95	\$1.90	\$0.93
CICS CPU	\$0.93	\$.95	\$0.55	\$1.23
ADABAS CPU	\$0.98	\$.95	\$1.08	\$1.23
TSO CPU	\$0.93	\$.95	\$2.32	\$1.23

SD operates an IBM zSeries 2066-OC1 mainframe – 39% more speed so their published rate is 50 cents per CU second. MT operates an IBM zSeries 800 2066-002 mainframe – same as ND. WI operates an IBM 2064-1C9 mainframe – 5 times more speed so their published rate is 1/5 of what is shown here.

NETWORK FEES

	NORTH DAKOTA ITD	SOUTH DAKOTA BIT	MONTANA ITSD	WISCONSIN DET
DEVICE FEE	\$ 29.00	\$39.00	\$ 72.60	\$ 55.00
DSL SERVICE	ACTUAL (40-120)	N/A	\$250.00	\$ 665.00
ATM T-1	\$840.00	N/A	\$650.00	\$1,067.00
ACCESS/INFORMATION FEE		\$62.00		

TELEPHONE FEES

	NORTH DAKOTA ITD	SOUTH DAKOTA BIT	MONTANA ITSD	WISCONSIN DET
TELEPHONE LINE	\$21.00	\$10.00	\$20.00 PERMILE/PER DROP	
SPEAKER	\$ 2.00	ACTUAL COST	\$7- \$11	ACTUAL COST
DISPLAY	\$ 3.00	ACTUAL COST	\$10- \$18	ACTUAL COST
VOICE MAIL (UNLIMITED)	\$ 3.00	\$ 6.00		\$ 6.00
- 3 MINUTE LIMIT			\$ 5.00	
- 6 MINUTE LIMIT			\$ 8.00	
- 8 MINUTE LIMIT			\$10.00	

LONG DISTANCE

	ND	SD	MT	WI	MN	NE	OK
IN-STATE	.05	.10	.105	.030	.059	.07	.09
OUT-OF-STATE	.05	.11	.105	.030	.047	.07	.09
800 SERVICE	.07	.11	.100	.047	.047	.07	.11

SOFTWARE DEVELOPMENT RATE COMPARISON

ENTITY	LOCATION	BILLING RATE/HOUR OF SERVICE
INFORMATION TECHNOLOGY DEPT	STATE OF ND	\$54 - \$58
APPLIED ENGINEERING	BISMARCK, ND	\$75 - \$100
EIDE BAILLY	BISMARCK, ND	\$65 - \$140
ENTERPRISE SOLUTIONS	BISMARCK, ND	\$75 - \$140
INTERNET DESIGN & CONSULTING	BISMARCK, ND	\$70 - \$75
NEXUS INNOVATIONS	BISMARCK, ND	\$65 - \$130
VISION TECHNOLOGY	BISMARCK, ND	\$70 - \$75
STRATACOM	FARGO, ND	\$75 - \$125
STRATEGIC BUSINESS ENGINEERING	FARGO, ND	\$75 - \$95
BPRO INC.	PIERRE, SD	\$55 - \$85
CIBER	VANCOUVER, WA	\$40 - \$100
COMPUWARE	PLYMOUTH, MN	\$55 - \$110
MAXIMUS	RANCHO CORDOVA, CA	\$145 - \$185

ITD SERVICE RATE TRENDS

	<u>JULY '06</u>	<u>JULY '05</u>	<u>JULY '04</u>	<u>JULY '03</u>
SYSTEMS ANALYST	\$58.00	\$58.00	\$56.25	\$56.25
PROGRAMMER	\$54.00	\$54.00	\$52.00	\$52.00
CENTRAL COMPUTER CPU				
BATCH CPU	\$0.93	\$.093	\$0.98	\$1.01
CICS CPU	\$0.93	\$.093	\$0.98	\$1.01
ADABAS CPU	\$0.98	\$0.98	\$1.03	\$1.06
TSO CPU	\$0.93	\$0.93	\$0.98	\$1.01
(CPU rates for July '99 thru July '03 were adjusted to be comparable to the faster computer purchased in 2004.)				
NETWORK FEES				
DEVICE FEE	\$ 29.00	\$ 29.00	\$ 29.00	\$ 29.00
ATC T-1	\$840.00	\$840.00	\$840.00	\$840.00
TELEPHONE FEES				
TELEPHONE LINE	\$21.00	\$ 21.00	\$21.00	\$21.00
SPEAKER	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
DISPLAY	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
VOICE MAIL (UNLIMITED)	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
LONG DISTANCE				
IN-STATE	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.06
OUT-OF-STATE	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.06
800 SERVICE	\$ 0.07	\$ 0.07	\$ 0.07	\$ 0.10

INFORMATION TECHNOLOGY DEPARTMENT

STATEMENT OF NET ASSETS JUNE 30, 2005

ASSETS

CURRENT ASSETS:

CASH DEPOSITS AT THE BANK OF ND	\$ 4,801,519	\$ 3,534,124
RESTRICTED CASH	—	1,648,029
INTERGOVERNMENTAL RECEIVABLES	83,436	150,299
ACCOUNTS RECEIVABLE	716,446	38,584
DUE FROM OTHER FUNDS	<u>2,740,341</u>	<u>2,593,879</u>
TOTAL CURRENT ASSETS	\$ 8,341,742	\$ 7,964,915

NONCURRENT ASSETS:

UNAMORTIZED BOND ISSUANCE COSTS	66,494	66,495
CAPITAL ASSETS:		
CONSTRUCTION IN PROGRESS	—	3,595,766
EQUIPMENT-NET	<u>8,159,502</u>	<u>4,367,121</u>
TOTAL NONCURRENT ASSETS	<u>8,225,996</u>	<u>8,029,382</u>

TOTAL ASSETS	<u>\$ 16,567,738</u>	<u>\$ 15,994,297</u>
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LIABILITIES

CURRENT LIABILITIES:

ACCRUED PAYROLL	\$1,042,683	\$1,028,561
ACCOUNTS PAYABLE	238,109	234,763
DUE TO OTHER FUNDS	—	6,963
COMPENSATED ABSENCES PAYABLE	45,705	—
NOTES PAYABLE	—	289,673
BONDS PAYABLE	<u>549,000</u>	<u>—</u>
TOTAL CURRENT LIABILITIES	\$ 1,875,497	\$ 1,604,909

NONCURRENT LIABILITIES:

COMPENSATED ABSENCES PAYABLE	993,050	976,612
BONDS PAYABLE	5,412,076	5,961,076
NOTES PAYABLE	<u>—</u>	<u>143,729</u>
TOTAL NONCURRENT LIABILITIES	<u>6,405,126</u>	<u>7,081,417</u>

TOTAL LIABILITIES	<u>8,280,623</u>	<u>8,686,326</u>
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NET ASSETS

INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	8,159,502	7,529,486
UNRESTRICTED	127,613	(221,515)

TOTAL NET ASSETS	<u>8,287,115</u>	<u>7,307,971</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,567,738</u>	<u>\$ 15,994,297</u>
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INFORMATION TECHNOLOGY DEPARTMENT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED JUNE 30, 2005

OPERATING REVENUE:

CHARGES FOR SERVICES

FY 2005

\$ 31,208,382

FY 2004

\$ 30,576,795

OPERATING EXPENSES:

SALARIES & BENEFITS

12,198,890

11,670,647

OPERATING

16,189,669

15,742,178

DEPRECIATION

2,106,488

2,044,874

TOTAL OPERATING EXPENSES

30,495,047

29,457,669

OPERATING INCOME (LOSS)

713,335

1,119,096

NONOPERATING REVENUES (EXPENSES)

INTREST AND INVESTMENT INCOME

19,842

2,549

INTEREST EXPENSE

(248,790)

(189,298)

LOSS ON DISPOSAL OF EQUIPMENT

(6,464)

(195,122)

BOND LETTER OF CREDIT EXPENSE

(4,350)

(4,350)

TOTAL NONOPERATING REVENUES (EXPENSES)

(239,762)

(386,221)

INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS

473,573

732,875

CAPITAL CONTRIBUTIONS

49,400

—

TRANSFERS IN

—

791,917

TRANSFERS OUT

—

(355,753)

CHANGE IN NET ASSETS

522,973

1,169,039

TOTAL NET ASSETS - BEGINNING OF YEAR

7,764,142

6,138,932

TOTAL NET ASSETS - END OF YEAR

\$ 8,287,115

\$ 7,307,971

Financing Agreements: Information Technology Department borrowed \$6,000,000 from the Bank of America at 3.57% for the mainframe migration project. ITD will use savings realized from operating the new platform to pay back the note over five years.

2005-2006 COMPLETED IT PROJECTS

(Includes Projects Over \$250,000 From All Agencies)

Project /Agency	Project Description	Project Duration	Project Budget	Actual Cost	(Over)/Under Budget	Variance
ENTERPRISE APPLICATION DEVELOPMENT/TRAINING WORKFORCE SAFETY & INSURANCE (WSI)	WSI purchased a suite of Compuware products for enterprise application development. In addition to the initial purchase, the scope of the project included the provision of training and mentoring to equip WSI IT staff with the skills necessary to use the Compuware suite of products to independently produce high-quality enterprise applications.	02/05-07/05	\$508,885	\$538,195	(\$29,310)	-6%
NETWORK TOOLS (COMPUWARE) INFORMATION TECHNOLOGY DEPARTMENT (ITD)	This project provides a new service to ITD's customers based on specific business needs identified jointly by ITD and its' customers. This project deployed the Compuware AppVantage and NetVantage analysis tools, and provided training, mentoring, and strategic direction to ITD staff.	06/05-08/05	\$399,060	\$400,788	(\$1,728)	-0.4%
SECOND DATA CENTER INFORMATION TECHNOLOGY DEPARTMENT (ITD)	The objective of the Second Data Center Project was to develop an alternate processing capability for the state should ITD's main data center become inoperable. This allows ITD to meet the disaster recovery objectives of the agencies and subsequently meet the requirement of Governor Hoeven's directive.	03/05-02/06	\$964,796	\$1,100,303	(\$135,507)	-14%
ODIN LIBRARY SYSTEM SOFTWARE MIGRATION NORTH DAKOTA UNIVERSITY SYSTEM (NDUS)	The objective of this project was to select and implement new library management software to provide library operational support for library staff and access for the public to library materials of all types. The project enabled the continuation of library services for more than 50 libraries in the State of North Dakota.	02/02 -08/05	\$1,492,400	\$1,140,342	\$352,058	24%
HOUSING MANAGEMENT SYSTEM NORTH DAKOTA UNIVERSITY SYSTEM (NDUS)	This project provides a housing management system to replace a current system used by the North Dakota University System institutions including additional functionality. The legacy computer system was discontinued as part of the ConnectND project. The previous software was outdated, no longer supported, and did not meet the management needs of the institutions in today's environment. The Housing Management System interfaces with the ConnectND system.	10/04 - 08/05	\$796,177	\$634,813	\$161,364	20%
PARKING MANAGEMENT SYSTEM NORTH DAKOTA UNIVERSITY SYSTEM (NDUS)	This project provides a parking management system to replace a current system used by the North Dakota University System institutions including additional functionality. The legacy computer system was discontinued as part of the ConnectND project. The previous software was outdated, no longer supported, and did not meet the management needs of the institutions in today's environment. The Parking Management System interfaces with the ConnectND system.	06/04 - 08/05	\$495,739	\$411,219	\$84,520	17%
FACILITY MANAGEMENT SYSTEM NORTH DAKOTA UNIVERSITY SYSTEM (NDUS)	This project provides a facilities management system to replace a current system used by the North Dakota University System institutions including additional functionality. The legacy computer system was discontinued as part of the ConnectND project. Additionally, the previous software was outdated, no longer be supported, and did not meet the management needs of the institutions in today's environment. The Facilities Management System interfaces with the ConnectND system.	05/04 - 10/05	\$1,425,835	\$1,560,143	(\$134,308)	-9%
COMMERCIAL VEHICLE INFORMATION SYSTEMS AND NETWORKS (CVISN) DEPT OF TRANSPORTATION (DOT)	This project expedites freight movement by letting legal carriers bypass scales, require fewer inspections, and license vehicles faster electronically. It also helps concentrate enforcement activities by providing current & consistent information.	07/01 - 03/06	\$1,367,249	\$1,249,834	\$117,415	9%
CORE BANKING BANK OF NORTH DAKOTA (BND)	This project replaces the "Core Banking" system, which supports multiple banking functions while maintaining centralized information. Previously BND utilized multiple systems on the mainframe requiring substantial manual programming and the systems could not be linked to provide sufficient customer relationship management. Cost of processing and maintenance, the need for modern technology and the need to deliver new products and services to customers were all business drivers for this project.	01/04 - 01/06	\$3,544,880	\$2,935,447	\$609,433	17%
TEACHERS' FUND FOR RETIREMENT (TFFR) PENSION SYSTEM REPLACEMENT RETIREMENT & INVESTMENT OFFICE (RIO)	The purpose of this project was to implement a replacement of the TFFR Pension System. The legacy system was over 20 years old, had high maintenance costs, and no longer met RIO business needs.	03/04 - 01/06	\$2,000,000	\$1,932,362	\$67,638	3%
ITAG OFFENDER MANAGEMENT SYSTEM DEPT OF CORRECTIONS & REHABILITATION (DOCR)	This project represents an Offender Management System upgrade for statewide deployment of prison offender management system. The system manages all aspects of inmate administration for the State Penitentiary, James River Correctional Center, Missouri River Correctional Center, Youth Correctional Center, Division of Juvenile Services Community Offices, Parole and Probation, and Dakota Womens Correctional Center.	07/05 - 03/06	\$411,650	\$369,134	\$42,516	10%
			\$13,406,671	\$12,272,579	\$1,134,091	8.5%

2005-2006 ACTIVE IT PROJECTS As of June 30, 2006

(Includes Projects Over \$250,000 From All Agencies)

PROJECT / AGENCY	DESCRIPTION	PHASE
LEARNING MANAGEMENT SYSTEM (LMS) WORKFORCE SAFETY AND INSURANCE (WSI)	North Dakota Workforce Safety & Insurance (WSI) has a need to deliver online training/e-learning to its policyholders regardless of where they live. WSI will develop a Request For Proposal (RFP) seeking a qualified vendor to provide a comprehensive Learning Management System (LMS) that will provide the capability of delivering training to its external customers.	PLANNING
IT TRANSFORMATION PROGRAM (ITTP) WORKFORCE SAFETY AND INSURANCE (WSI)	WSI has concluded that a comprehensive Information Technology Transformation Program (ITTP) is required to migrate its existing core application systems, and create a state-of-the-art technology environment for its new, web-enabled applications. This phase intends to complete the necessary requirements analysis, RFP development, and vendor selection. The next phase (pending funding approval for 07-09) would be to implement the selected solution.	PLANNING
KNOWLEDGE BASE (SOSKB) SECRETARY OF STATE	North Dakota's Secretary of State seeks to acquire and implement software systems to replace the mainframe Uniform Commercial Code (UCC) filings, as400 business services, licensing, and administration systems.	PLANNING
APPLICATION REPLACEMENT STUDY LEGISLATIVE ASSEMBLY	The objectives of this project are to replace existing software systems with a modern, user-friendly editing product, replace the mainframe-based print rendering engine with a cost effective rendering engine, and replace legacy custom code with new solutions developed by a team of state and 3rd-party developers using modern tools, languages and techniques.	PLANNING
LEGACY APPLICATION SYSTEM REPLACEMENT (LASR) ND PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)	The LASR project is to replace the current multiple applications used to manage the PERS programs with a single integrated modern application. This phase is to perform an RFP. The next phase (pending funding approval for 07-09) would be to implement the selected solution.	PLANNING
STATE'S ATTORNEY RECORDS MANAGEMENT SYSTEM (STARS) CRIMINAL JUSTICE INFORMATION SHARING (CJIS)	The project objective is to purchase and implement a state's attorneys records management system that will provide state's attorneys a means to electronically manage their case information and share data via the existing CJIS hub.	EXECUTION
WOMEN, INFANTS, AND CHILDREN (WIC) DEPT OF HEALTH (DOH)	The purpose of the project is to modernize the systems that provide automated data processing support for the Iowa and North Dakota supplemental nutrition programs for Women, Infants, and Children (WIC).	EXECUTION
MEDICAID SYSTEMS PROJECT DEPT OF HUMAN SERVICES (DHS)	This project is to replace the current Medicaid MMIS, POS & DSS/DW systems.	EXECUTION
NATIONAL PROVIDER INDEX (NPI) DEPT OF HUMAN SERVICES (DHS)	The project will modify the Medicaid Management Information System (MMIS) to accept the npi and include it on outbound information. The modifications will be done in such a way as to not hinder future application changes. A cross walk will be used to accept the NPI and process it through the current system until a rewrite of the MMIS is completed.	EXECUTION
TANF DIVERSION DEPT OF HUMAN SERVICES (DHS)	The main objective of the Diversion Assistance Project is to integrate diversion assistance into the existing TANF program of the vision system. Implementation of diversion assistance will be done over the course of two phases.	EXECUTION
STAGENET INFRASTRUCTURE SERVICES (SIS) INFORMATION TECHNOLOGY DEPARTMENT (ITD)	The contract with the current infrastructure provider expires in june of 2006. In order to maintain our eligibility for e-rate funds, the state is required to go to bid after each contract period. In the years during the current contract, technology has changed and the needs of the state have also increased. ITD is looking to design a network that can grow with the state's needs over the next five to seven years. The final completion date will be determined during the 4th quarter of 2005 when phase III planning is complete.	EXECUTION
MAINFRAME MIGRATION INFORMATION TECHNOLOGY DEPARTMENT (ITD)	The objective of this project is to migrate existing mainframe applications from the state's existing mainframe environment to another computing environment. Note that this does not entail rewriting existing applications, but rather is a port, or migration, of existing applications to a new computing environment with little if any change in functionality. This project is a preparatory stage to eliminating the legacy mainframe. However, completion of this project will not result in the ability to shut down the mainframe due to the continued existence of major applications that are in the process of being re-written.	EXECUTION
PUBLIC SAFETY MOBILE COMMUNICATIONS INFORMATION TECHNOLOGY DEPARTMENT (ITD)	This project will update the state radio system to digital technology.	EXECUTION
CASE MANAGEMENT (GSI) JOB SERVICE ND	Replace the existing customized Oracle forms case management ndworks application with a Commercial Off the Shelf (cots) application from Geographic Solutions Inc. (GSI) called the Case Management System (CMS).	EXECUTION
STARS (ORS REPLACEMENT) DEPT OF PUBLIC INSTRUCTION (DPI)	This is a project to upgrade current ORS core system to an architecture of ASP.Net, VB.Net and SQL server 2005. Additional objectives are to implement some system enhancements, move individual collections to upgraded ors and implement other enhancements requested by districts and state for individual collections, and implement necessary enhancements to meet some of the federal and state reporting needs.	EXECUTION
INTEGRATED TAX SYSTEM (TREND) ND TAX DEPARTMENT	The trend project is the migration of all taxes and related functions currently processed in the mainframe environment to an integrated COTS solution. This is a two year project with a four phase implementation.	EXECUTION
PRIORITY SYSTEMS REWRITE DEPARTMENT OF TRANSPORTATION	This project intends to rewrite the existing priority system, integrate additional agency and federal requirements, and improve efficiencies by the elimination of shadow and legacy systems. The product of the project allows the agency to identify, prioritize, and budget for construction projects across the state.	EXECUTION
ELECTION ADMINISTRATION SYSTEM (EAS) SECRETARY OF STATE	The Election Administration System (EAS), AKA central voter file project will complete the Secretary of State's election improvement program by tying together under the umbrella of the Powerprofile EE (p2e2), the uniform election system, including the UOL program, and the state's EMS. The EAS project will provide the state and all 53 counties a uniform and single administration tool in order to more efficiently and effectively manage elections for the state and counties of North Dakota.	EXECUTION



A man in a dark suit and tie is sitting on a red metal chair in front of a large window. He is resting his chin on his hand and looking thoughtfully out the window. The window looks out onto a bright, possibly outdoor area with some greenery visible in the distance.

ITD'S GUIDING PRINCIPLES

RESPECT

We treat everyone with dignity and respect.

TEAMWORK

We recognize itd's success depends on partnerships and collaboration.

ACHIEVEMENT

We develop quality solutions that best address the needs of our state. We are committed to delivering results – on time and within budget.

INTEGRITY

We build long-term, lasting relationships through mutual trust. We value open, honest, two-way communication.

LEADERSHIP

We encourage initiative and creativity. we are committed to investing in knowledge and expertise.

SERVICE

We hold ourselves accountable for a positive customer experience.

**"You have excellent staff... They are
an asset to your agency!"**
ND Office of Administrative Hearings

WEBSITES & ADDITIONAL INFO

The main North Dakota portal

www.nd.gov

Information Technology Department

www.nd.gov/itd

Information Technology Large Project Oversight

www.nd.gov/itd/planning/lar-pro-rep.html

North Dakota Enterprise Architecture

www.nd.gov/ea

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Information Technology Department